

Message Text

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DEPT PASS EXIM BANK WASHINGTON

VIENNA PASS IAEA AND GEORGE DIETZ, EXIMBANK REPRESENTATIVE

E.O. 11652: N/A

TAGS: EEWT, EINV, ENRG, PGOV

SUBJECT: KRSKO GROUNDBREAKING CEREMONY

REF: ZAGREB 0760

SUMMARY: PRESIDENT TITO LAID THE FOUNDATION STONE FOR NUCLEAR POWER PLANT IN KRSKO, SLOVENIA, DECEMBER 1. CEREMONY ATTENDED BY HIGH-RANKING FEDERAL AND SLOVENIAN AND CROATIAN REPUBLIC OFFICIALS, CHARGE MILLER, CG KAISER, AND REPRESENTATIVES FROM EXIM BANK, WESTINGHOUSE AND AMERICAN BANKS. SLOVENIAN EXECUTIVE COUNCIL PRESIDENT MARINC AND CROATIAN EXECUTIVE COUNCIL PRESIDENT SIROTKOVIC DELIVERED PRINCIPAL SPEECHES AT OUTDOOR CEREMONY AND TITO SPOKE AT LUNCHEON AFTERWARDS. ALTHOUGH THE EMPHASIS OF THE SPEECHES PREDICTABLY DWELT ON THE IMPORTANCE OF THE KRSKO NUCLEAR PROJECT FOR THE ECONOMIC DEVELOPMENT AND GROWTH OF YUGO-SLAVIA, MARINC AND SIROTKOVIC ACKNOWLEDGED THE IMPORTANT ROLE OF

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WESTINGHOUSE AND OF WESTERN CAPITAL. IN HIS REMARKS, TITO

EMPHASIZED THE IMPORTANCE OF UNITY WITHIN YUGOSLAVIA AS A FOUNDATION FOR YUGOSLAVIA'S FUTURE SUCCESSES AS IT ENTERS THE ATOMIC AGE. TITO REFERRED TO ENEMIES OF YUGOSLAVIA--"EVEN NEARBY"-- BUT, HE SAID, YUGOSLAVIA HAS "GREAT AND GOOD FRIENDS" IN THE WORLD. END SUMMARY

1. THOUSANDS OF YUGOSLAVS WITNESSED THE STONE-LAYING CEREMONY AT KRSKO NUCLEAR POWER PLANT PROJECT. THE EVENT WAS BROADCAST LIVE ON RADIO AND TELEVISION, THERE WERE LENGTHY REBROADCASTS IN THE EVENING, AND DEC. 2 PRESS FEATURED THE CEREMONY AND STATEMENTS MADE BY TITO, MARINC AND SIROTKOVIC. MARINC AND SIROTKOVIC CITED WESTINGHOUSE AS THE PROJECT PARTNER, NOTING THAT WESTINGHOUSE HAD BEEN SELECTED AFTER INTERNATIONAL COMPETITION. THEY ALSO REFERRED TO THE ROLE OF THE EXIM BANK AND TO THE PARTICIPATION OF WESTERN CAPITAL. LOOKING AHEAD, SIROTKOVIC SAID THAT PLANS WERE ALREADY BEING DRAFTED FOR THE NEXT STAGE OF NUCLEAR ENERGY DEVELOPMENT WHICH INCLUDE THE CONSTRUCTION OF ANOTHER NUCLEAR PLANT IN CROATIA. HE SAID: QUOTE OUR YUGOSLAV COMMUNITY HAS TO SOLVE ITS BIG PROBLEMS WITH THE HELP OF FOREIGN FUNDS AND THE MOST ADVANCED TECHNOLOGY AS IN THIS INSTANCE WITH THE PARTICIPATION OF WESTINGHOUSE, EXIM BANK, AND CITICORP. UNQUOTE

2. MARINC, AS HAD SIROTKOVIC, STRESSED THE ECONOMIC IMPORTANCE OF KRSKO. MORE THAN ANY OTHER SPEAKER, HE MADE EXPLICIT SOME OF THE POLITICAL SIGNIFICANCE OF THE EVENT WHEN HE SAID: QUOTE THIS ENORMOUS PROJECT SHOULD BE A STIMULUS FOR THE DEVELOPMENT OF LONG LASTING AND A MORE DEVELOPED FORM OF COOPERATION BETWEEN USA AND YUGOSLAVIA. THIS MEANS THE STRENGTHENING OF RELATIONS WHICH WERE FORMULATED IN THE JOINT STATEMENT WHEN PRESIDENT TITO VISITED THE USA IN 1971 AND WHICH WERE REAFFIRMED DURING THE RECENT VISIT OF SECRETARY OF STATE KISSINGER TO BELGRADE. THIS LARGE AND DEMANDING PROJECT SHOULD BE A PROTOTYPE FOR

JOINT VENTURES IN OTHER MARKETS, ESPECIALLY IN THIS PART OF EUROPE. UNQUOTE

3. PRESIDENT TITO, LOOKING REMARKABLY FIT FOR HIS YEARS, SPOKE TO A LUNCHEON GROUP OF ABOUT 75 PEOPLE. HIS SPEECH WAS TELEVISED AND BROADCAST LIVE OVER THE RADIO. HE UNDERLINED THE LIMITED OFFICIAL USE

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IMPORTANCE OF UNITY AMONG THE VARIOUS NATIONALITY GROUPS OF YUGOSLAVIA AND CITED SLOVENIAN/CROATIAN COOPERATION AS AN EXAMPLE OF COMRADELY RELATIONS AMONG ALL THE PEOPLES OF YUGOSLAVIA WHICH HE SAID IS FUNDAMENTAL FOR YUGOSLAVIA'S FUTURE PROGRESS AND SECURITY. HE NOTED YUGOSLAVIA'S GEOGRAPHIC POSITION SUBJECTS IT TO "CROSSWINDS" WHICH ARE "VERY COMPLICATED." HE SAID THAT YUGOSLAVIA HAS MANY ENEMIES, "EVEN NEARBY," WHO SEEK TO HURT US. BUT, HE ADDED, YUGOSLAVIA HAS "GREAT AND GOOD FRIENDS"

IN THE WORLD. FURTHERMORE, YUGOSLAVIA ENJOYS CONSIDERABLE PRESTIGE AS A RESULT OF ITS DECISIVE STRUGGLE AGAINST ITS ENEMIES AS WELL AS FOR ITS EFFORTS IN BUILDING SOCIALISM AND IN OVERCOMING THE DIFFICULTIES IT HAS ENCOUNTERED. IN CONCLUDING HIS BRIEF COMMENTS, TITO SAID HE FELT HONORED AND PRIVILEGED TO PARTICIPATE IN THE CORNERSTONE-LAYING CEREMONY WHICH MARKED THE BEGINNING OF THE ATOMIC AGE FOR YUGOSLAVIA IN THE FIELD OF ENERGY.

4. THE COMMUNIQUE DISTRIBUTED TO THE PRESS AT KRSKO LISTED THE FOLLOWING FOREIGN CREDITORS: EXIM BANK OF WASHINGTON, THE PRIVATE EXPORT FUNDING CORP OF NEW YORK, SOCIETE GENERALE DE BANQUE IN BANQUE DE BRUXELLES OF BRUSSELS, AND A "CONSORTIUM OF WORLD BANKS WHICH CITICORP INTERNATIONAL, LTD, LONDON, UNITES." IT ALSO NOTED THAT THE CONTRACT FOR THE PROCUREMENT OF SERVICES FOR THE ENRICHMENT OF URANIUM HAD BEEN SIGNED WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY AND WITH THE AMERICAN ATOMIC ENERGY COMMISSION. IN ADDITION TO THE VARIOUS REFERENCES TO WESTINGHOUSE, THE COMMUNIQUE SAID THAT THE "EXPERIENCED AMERICAN CONSULTANT AGENCY NUCLEAR UTILITY SERVICE HAS BEEN ENGAGED TO SUPERVISE THE QUALITY OF THE EQUIPMENT" FOR THE PROJECT FROM THE UNITED STATES.

5. THE KRSKO CEREMONY DREW A REMARKABLY HIGH-RANKING ATTENDANCE WHICH INCLUDED IN ADDITION TO PRESIDENT TITO AND MADAME BROZ: PRESIDENT OF THE SLOVENIAN PRESIDUM SERGEJ KRAJGER AND HIS WIFE LIDIJA SENTJURC, WHO IS A MEMBER OF THE FEDERAL COUNCIL; SECRETARY OF THE EXECUTIVE COMMITTEE OF THE LEAGUE OF COMMUNISTS OF YUGOSLAVIA (LCY) STANE DOLANC; SECRETARY OF THE EXECUTIVE COUNCIL OF THE LCY JURE BILIC; PRESIDENT OF THE LEAGUE OF COMMUNISTS OF SLOVENIA FRANC POPIT; PRESIDENT OF THE SLOVENIAN ASSEMBLY MARJAN BRECELJ; PRESIDENT OF SLOVENIAN EXECUTIVE COUNCIL ANDREJ MARINC; PRESIDENT OF THE SLOVENIAN SOCIALIST ALLIANCE OF THE WORKING PEOPLE MITJA RIBICIC; GENERAL FRANC TAVCAR; MEMBER LIMITED OFFICIAL USE

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OF THE FEDERAL COUNCIL IVAN KARJACIC; PRESIDENT OF THE CROATIAN PRESIDUM JAKOV BLAZEVIC; PRESIDENT OF THE LEAGUE OF COMMUNISTS OF CROATIA (LCC) MILKA PLANIC; SECRETARY OF THE EXECUTIVE COMMITTEE OF THE LCC DUSAN DRAGOSAVAC; AND PRESIDENT OF THE CROATIAN EXECUTIVE COUNCIL JAKOV SIROTKOVIC.

6. IN CONVERSATION AFTER LUNCH, FORMER YUGOSLAV AMBASSADOR TO LONDON AND NOW PRESIDENT OF THE SLOVENIAN SUPREME COURT, JOZE BRILEJ, TOLD US THAT THE SELECTION OF WESTINGHOUSE FOR THE KRSKO PROJECT HAS SPECIAL SIGNIFICANCE IN VIEW OF THE FACT THAT TITO HAD PERSONALLY TAKEN PART IN THE DECISION. BRILEJ ALSO SAID THAT THE GERMANS HAD "APPLIED NOT JUST ECONOMIC BUT POLITICAL PRESSURE" IN AN EFFORT TO WIN THE CONTRACT. HE MENTIONED THAT HE AS WELL AS OTHERS HAD FAVORED WESTINGHOUSE AND HAD ARGUED AGAINST YUGOSLAVIA PUTTING ALL ITS ECONOMIC EGGS IN ONE

BASKET.

7. COMMENT: THE NUCLEAR POWER PROJECT ITSELF, THE UNUSUALLY HIGH-LEVEL ATTENDANCE AT THE CEREMONY, AND THE CONSIDERABLE PUBLICITY COMBINED TO CONVEY POLITICAL SIGNIFICANCE TO THE EVENT. EVEN THOUGH THE PARTICIPATION OF WESTERN CAPITAL AND THE ROLE OF WESTINGHOUSE WERE GIVEN SECOND PLACE TO THE IMPORTANCE OF THE POWER PROJECT TO YUGOSLAVIA'S ECONOMIC DEVELOPMENT, THE YUGOSLAV PUBLIC WAS INFORMED OF THE AMERICAN PARTICIPATION. THE REMARKS OF SLOVENIAN PRESIDENT MARINC AND CROATIAN PRESIDENT SIROTKOVIC HELPED CONVEY THE IMPRESSION THAT THE EVENT WAS ALSO A POLITICAL HAPPENING. TITO'S PRESENCE AND ROLE GAVE THE HIGHEST POSSIBLE YUGOSLAV STAMP OF APPROVAL TO THE KRSKO NUCLEAR POWER PROJECT WHICH HAS WESTINGHOUSE AS THE MAIN PARTNER.

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